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In re the Matter of:) Case No.: 08-212
)
State of New Hampshire Banking) Order to Show Cause
)
Department,) with Immediate Suspension
)
Petitioner,)
)
and)
)
Saxon Mortgage Services, Inc.,)
)
Respondents)
)

This Order commences an adjudicative proceeding under the provisions of RSA 397-B:6, RSA 541-A, BAN 200 and JUS 800 as applicable.

Pursuant to RSA 397-B:6, the Banking Department of the State of New Hampshire (hereinafter the "Department") has the authority to issue an order to show cause why license revocation penalties for violations of New Hampshire Banking laws should not be imposed.

The Commissioner has the authority to suspend, revoke or deny any license and to impose administrative penalties of up to \$2,500.00 for each violation of New Hampshire banking law and rules.

Order - 1

1 The above named respondent(s) have the right to request a hearing
2 on this Order to Show Cause, as well as the right to be represented by
3 counsel. In accordance with RSA 541-A a hearing shall be held not more than
4 ten days from the signing of this Order.

5 After said hearing and within 20 days of the date of the hearing the
6 commissioner shall issue a further order vacating the Order to Show Cause or
7 making it permanent as the facts require and making such findings as are
8 necessary on the Show Cause order. All hearings shall comply with 541-A. If
9 the person to whom an order is issued fails to appear at the hearing after
10 being duly notified, such person shall be deemed in default, and the proceeding
11 may be determined against him or her upon consideration of the Order to Show
Cause, the allegations of which may be deemed to be true.

12
13 **STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF**

14 The Staff Petition dated June 4, 2008 (a copy of which is attached
15 hereto) is incorporated by reference hereto.

16 **ORDER**

17 WHEREAS, finding it necessary and appropriate and in the public
18 interest, and consistent with the intent and purposes of the New Hampshire
banking laws, and

19 WHEREAS, finding that the allegations contained in the Staff Petition,
20 if proved true and correct, form the legal basis of the relief requested,

21 It is hereby ORDERED, that the Respondent shall show cause why:

22 1. Administrative penalties of \$7,500.00 should not be imposed

23 against the Respondent; and

24 2. Respondent's license should not be revoked; and

25 FINDING a substantial likelihood that delay will cause harm to the
public health, safety or welfare, requiring emergency action it is
hereby further ORDERED:

- 1 3. Respondent's license is immediately suspended; and
- 2 4. A hearing on the immediate suspension will be scheduled to
- 3 occur in the next ten days pursuant to RSA 541-A:30, III.

4

5 SIGNED,

6 Dated: 6/4/08

7 /S/

8 PETER C. HILDRETH

9 BANK COMMISSIONER

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In re the Matter of:) Case No.: 08-212
)
State of New Hampshire Banking) Staff Petition
)
Department,)
)
Petitioner,) June 4, 2008
)
and)
)
Saxon Mortgage Services, Inc.,)
)
Respondent)
)

The Staff of the Banking Department, State of New Hampshire (hereinafter referred to as the "Department") alleges the following facts:

1. Respondent is registered as a Mortgage Servicer and at all times relevant to this action has held a Department registration since at least 1998.
2. On November 29, 2007 the Commissioner ordered all mortgage servicers to designate a person in their organization with sufficient authority to facilitate foreclosure avoidance procedures within seven days of the order. The Order further obligated the servicers to update the information within two days of a change in the information.
3. Respondent designated its then President, David Dill, pursuant to the Order.
4. On April 21, 2008 bank examiner Micheal Poullos was informed that David Dill was no longer with the company.

1 5. On April 22, 2008 Regulatory Analyst Rebecca Stone sent a letter
2 to Respondent reminding them of their obligation to update their
3 filings with the Department. The letter further reminded
4 Respondent of its obligation to re-designate a contact for loan
5 workout matters.

6 6. The Respondent has not responded to any of the requests for
7 response contained in that letter.

8 7. On May 7, 2008 the Department received a hotline call from a
9 certain borrower facing foreclosure who complained of not being
10 able to reach Respondent.

11 8. On the same day Bank Examiner Sarah Lobdell left several messages
12 and tried faxing communications to different employees at
13 Respondent about the matter.

14 9. As of this petition date Respondent has not responded in any way
15 to Ms. Lobdell's communications.

16 10. In May, 2008 this petitioner sent a letter via certified mail to
17 Respondent directing Respondent to update their designated
18 contact for loan workouts and directing them to immediately
19 contact Examiner Lobdell in reference to the aforementioned
20 consumer.

21 11. Respondent received said letter on May 27, 2008.

22 12. As of this petition date Respondent has not responded in any way
23 to that communication.

24 13. Upon information and belief Respondent intends to hold the
25 scheduled foreclosure sale despite its alleged failure to
 communicate with the borrower and despite its failure to

communicate with this Department.

ISSUES OF LAW

The staff of the Department, alleges the following issues of law:

1. The Department realleges the above stated facts in paragraphs 1 through 7.
2. The Department has jurisdiction over the licensing and regulation of persons engaged in mortgage banker activities pursuant to NH RSA 397-B:2.
3. RSA 397-B:4-b provides that every registrant must reply in writing or in some designated form upon any written inquiry from the commissioner requesting a reply. The Respondent violated this provision of the Chapter by failing to designate a workout contact and by failing to update their departmental filings.
4. RSA 397-B:9 allows the Department to conduct any investigations as it deems necessary to determine compliance. Respondent violated the Chapter by not answering department inquiries relative to a mortgage customer's account.
5. RSA 397-B:6 provides that any person who knowingly violates any rule or order of the Commissioner or knowingly or negligently violates any provision of Chapter 397-B, may upon hearing, and in addition to any other penalty provided for by law, be subject to suspension or revocation of any registration or license, or imposition of an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation, and such administrative action or fine may be imposed in addition to any criminal penalties or civil liabilities

1 imposed by New Hampshire Banking laws.

2
3 **RELIEF REQUESTED**

4 The staff of the Department requests the Commissioner take the following
5 Action:

- 6 1. Find as fact the allegations contained in section I of this petition;
7 2. Make conclusions of law relative to the allegations contained in
8 section II of the this petition;
9 3. Order the Respondents to Show Cause why its license should not be
10 revoked;
11 4. Assess fines and administrative penalties in accordance with RSA 397-
12 B:6, for violations of Chapter 397-B, in the number and amount equal
13 to the violations set forth in section II of this petition; and
14 5. Take such other administrative and legal actions as necessary for
15 enforcement of the New Hampshire Banking Laws, the protection of New
16 Hampshire citizens, and to provide other equitable relief.

17 **RIGHT TO AMEND**

18 The Department reserves the right to amend this Staff Petition and to
19 request that the Commissioner take additional administrative action.
20 Nothing herein shall preclude the Department from bringing additional
21 enforcement action under RSA 397-B or the regulations thereunder.
22

23 Respectfully submitted by:

24
25 /S/
James Shepard
Staff Attorney

6/4/08
Date